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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: January 5, 1998
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12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

EFFECTIVE FEBUARY 1, 1998:

The minimum price to pay milk producers, under ARM 32.24.301, is $15.84 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of twelve and one-half cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be one dollar and twenty-five cents ($1.25).

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5% **$12.12 /CWT**

Average spray process dry milk solids price per pound	=	$1.08250		
Multiplied by 8.2	x	8.2		
		$8.87650		$8.87650
PLUS +				
Average Grade 'A' 92 score butter price per pound	=	$1.04000		
Multiplied by 4.2	x	4.2		
		$4.36800	+	$4.36800
				$13.24450
LESS 8.5% (	$13.24450	X .085)	-	$1.12578
				$12.11872

Rounded to the nearest whole cent = $12.12 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND **$1.15 /LB**

Butterfat differential	(	$1.04000 X .111)	=	$0.11544
Rounded to the nearest half cent			=	$0.115

CLASS II VALUE OF ONE POUND OF SKIM **0.08388601 /LB**

Butterfat value per pound for milk at 3.5% test:	=	$1.15		
Hundredweight price of milk testing 3.5%			=	$12.12
LESS 3.5 pounds of butterfat at		$1.15 per pound	-	$4.025
Value of 96.5 pounds of skim			=	$8.095
Value of one pound of skim	(	8.095 / 96.5 pounds)	=	$0.08389 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND **$0.94 /LB**

Avg. Grade 'A' 92 score butter price/LB		$1.04000
LESS 10%	-	$0.10400
		$0.93600
Rounded to the nearest whole cent	=	$0.94 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED 7.36749 /CWT

Avg. spray process dry milk solid price/LB		$1.08250
Multiplied by 8.2		8.2
		$8.87650
LESS 17%		$1.50901
		$7.36749
Rounded to the nearest whole cent	=	$7.37 per hundredweight.

CLASS III PRICE PER CWT FOR MILK TESTING 3.5% **$10.40 /CWT**

3.5 pounds of butterfat	x	$0.94 per pound =	$3.290
96.5 pounds of skim		$0.07367 per pound =	$7.109
			$10.399 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Koontz

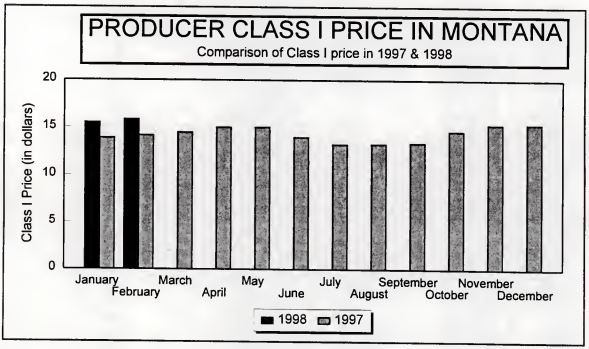
Marlys M. Koontz, Program Specialist
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON $15.84 FOR 3.5% MILK 96.5 LBS = $11.465		CLASS II SKIM PRICE BASED ON $12.12 FOR 3.5% MILK 96.5 LBS = $8.095		CLASS III SKIM PRICE BASED ON $10.40 FOR 3.5% MILK 96.5 LBS = $7.109	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	$0.11759	2.50	$0.08303	2.50	$0.07291
2.55	$0.11765	2.55	$0.08307	2.55	$0.07295
2.60	$0.11771	2.60	$0.08311	2.60	$0.07299
2.65	$0.11777	2.65	$0.08315	2.65	$0.07303
2.70	$0.11783	2.70	$0.08320	2.70	$0.07306
2.75	$0.11789	2.75	$0.08324	2.75	$0.07310
2.80	$0.11795	2.80	$0.08328	2.80	$0.07314
2.85	$0.11801	2.85	$0.08332	2.85	$0.07318
2.90	$0.11807	2.90	$0.08337	2.90	$0.07321
2.95	$0.11813	2.95	$0.08341	2.95	$0.07325
3.00	$0.11820	3.00	$0.08345	3.00	$0.07329
3.05	$0.11826	3.05	$0.08350	3.05	$0.07333
3.10	$0.11832	3.10	$0.08354	3.10	$0.07337
3.15	$0.11838	3.15	$0.08358	3.15	$0.07340
3.20	$0.11844	3.20	$0.08363	3.20	$0.07344
3.25	$0.11850	3.25	$0.08367	3.25	$0.07348
3.30	$0.11856	3.30	$0.08371	3.30	$0.07352
3.35	$0.11862	3.35	$0.08376	3.35	$0.07356
3.40	$0.11869	3.40	$0.08380	3.40	$0.07359
3.45	$0.11875	3.45	$0.08384	3.45	$0.07363
3.50	$0.11881	3.50	$0.08389	3.50	$0.07367
3.55	$0.11887	3.55	$0.08393	3.55	$0.07371
3.60	$0.11893	3.60	$0.08397	3.60	$0.07375
3.65	$0.11899	3.65	$0.08402	3.65	$0.07378
3.70	$0.11906	3.70	$0.08406	3.70	$0.07382
3.75	$0.11912	3.75	$0.08410	3.75	$0.07386
3.80	$0.11918	3.80	$0.08415	3.80	$0.07390
3.85	$0.11924	3.85	$0.08419	3.85	$0.07394
3.90	$0.11930	3.90	$0.08424	3.90	$0.07398
3.95	$0.11936	3.95	$0.08428	3.95	$0.07402
4.00	$0.11943	4.00	$0.08432	4.00	$0.07405
4.05	$0.11949	4.05	$0.08437	4.05	$0.07409
4.10	$0.11955	4.10	$0.08441	4.10	$0.07413
4.15	$0.11961	4.15	$0.08445	4.15	$0.07417
4.20	$0.11968	4.20	$0.08450	4.20	$0.07421
4.25	$0.11974	4.25	$0.08454	4.25	$0.07425
4.30	$0.11980	4.30	$0.08459	4.30	$0.07429
4.35	$0.11986	4.35	$0.08463	4.35	$0.07432
4.40	$0.11993	4.40	$0.08468	4.40	$0.07436
4.45	$0.11999	4.45	$0.08472	4.45	$0.07440
4.50	$0.12005	4.50	$0.08476	4.50	$0.07444

PRODUCER CLASS I PRICE IN MONTANA

Comparison of Class I price in 1997 & 1998

MONTANA MILK CONTROL BUREAU

Month	1997	1998	Difference	% Change
January	$13.89	$15.51	$1.62	10.44%
February	$14.16	$15.84	$1.68	10.61%
March	$14.49			
April	$15.01			
May	$15.04			
June	$13.99			
July	$13.25			
August	$13.29			
September	$13.41			
October	$14.62			
November	$15.34			
December	$15.38			
Average	$14.32	$15.68